



Report to the Mississippi Legislature

FY 2016 Annual Report: Analysis of Funding for Mississippi Charter Schools and the Charter School Authorizer Board

#606
December 13, 2016



PEER: The Mississippi Legislature's Oversight Agency

The Mississippi Legislature created the Joint Legislative Committee on Performance Evaluation and Expenditure Review (PEER Committee) by statute in 1973. A joint committee, the PEER Committee is composed of seven members of the House of Representatives appointed by the Speaker and seven members of the Senate appointed by the Lieutenant Governor. Appointments are made for four-year terms, with one Senator and one Representative appointed from each of the U.S. Congressional Districts and three at-large members appointed from each house. Committee officers are elected by the membership, with officers alternating annually between the two houses. All Committee actions by statute require a majority vote of four Representatives and four Senators voting in the affirmative.

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The Committee assigns top priority to written requests from individual legislators and legislative committees. The Committee also considers PEER staff proposals and written requests from state officials and others.

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Honorable Phil Bryant, Governor
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On December 13, 2016, the PEER Committee authorized release of the report titled FY 2016 Annual Report: Analysis of Funding for Mississippi Charter Schools and the Charter School Authorizer Board.

A handwritten signature in black ink that reads "Tommy Gollott".

Senator Tommy A. Gollott, Chair

This report does not recommend increased funding or additional staff.

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Executive Summary

Introduction

In 2013 the Mississippi Legislature enacted the “Mississippi Charter Schools Act of 2013” that provided authorization for a charter school oversight board and guidance for the formation of charter schools.

MISS. CODE ANN. § 37-28-37(2) (1972) requires PEER (the Joint Legislative Committee on Performance Evaluation and Expenditure Review) to prepare an annual report that

1. assesses the sufficiency of funding for charter schools;
2. assesses the efficacy of the state formula for authorizer funding; and
3. suggests changes to state law or policy that might strengthen charter schools.

PEER limited this review to the first two mandates: to evaluate sufficiency of funding for charter schools and the efficacy of the state formula for authorizer funding. The third mandate—to make suggested changes in state law or policy to strengthen the state’s charter schools—is not addressed in this report because charter schools only began operations in the state in 2015.

PEER reviewed the first two charter schools to have completed one year of serving students (the FY 2015-16 school year): Midtown Public Charter School and Reimagine Prep, both located in Jackson.

Charter Schools: Their Position and Purpose in Mississippi’s Education System

According to the U.S. Department of Education, a public charter school is a “publicly funded school that is typically governed by a group or organization under a legislative contract (or charter) with the state or jurisdiction.” In Mississippi, state law establishes all charter schools as public schools and part of the state’s public school system.

Under MISS. CODE ANN. § 37-28-3(1) (1972), general purposes of charter schools include the following:

- *To close achievement gaps between high-performing and low-performing groups of public school students;*

- *To increase high-quality educational opportunities within the public education system for all students, especially those with a likelihood of academic failure;*
- *To encourage the use of different, high-quality models of teaching, governing, scheduling and other aspects of schooling which meet a variety of student needs;*
- *To provide students, parents, community members and local entities with expanded opportunities for involvement in the public education system.*

In alignment with the act, the contracts between charter schools and the authorizer board establish a clear emphasis on expanding educational opportunities for “underserved students.” All contracts must provide, among other requirements, detailed enrollment policies and procedures, educational program requirements, and grade-level enrollment projections. The underserved student composition of a charter school’s enrollment must reflect that of students attending the school district in which the charter school is located, and is defined as being at least 80 percent of that population.

Mississippi Charter School Authorizer Board and Its Responsibilities

The Mississippi Charter School Authorizer Board (MCSAB) is the sole authorizing body for charter schools in the state and is responsible for oversight of the schools’ operations. The MCSAB is made up of seven appointed members. For a list of current board members, please see Appendix A, page 24.

MCSAB responsibilities include developing chartering policies, reviewing charter school applications, deciding whether to approve or reject applications (including renewal applications), entering into charter contracts with applicants, overseeing charter schools, and, when necessary, revoking a charter school’s contract.

Charter Schools in Mississippi

State law establishes certain requirements for the MCSAB pertaining to issuance of yearly requests for proposals for charter school applications (e.g., must provide a timeline for approval or denial decisions) and establishes requirements for charter school applicants (e.g., must be a nonprofit organization). The application process involves three stages of review, and the MCSAB is the final authority for approval decisions.

Through the 2015 application cycle, the MCSAB (with assistance from National Association of Charter School Authorizers) had evaluated 19 applications and approved three applications for four schools. The following two charter operators began serving in Jackson in the 2015-16 school year:

- Midtown Partners, Inc. operating the Midtown Public Charter School, and
- RePublic Schools, Inc. operating Reimagine Prep.

The third and fourth approved charters belong to RePublic Schools, Inc. for the operation of Joel E. Smilow Prep and Joel E. Smilow Collegiate in Jackson. RePublic Schools, Inc. began operation of Joel E. Smilow Prep during the 2016-17 school year but deferred the opening of Joel E. Smilow Collegiate until the 2017-18 school year.

Sufficiency of Funding for Charter Schools

Charter schools receive funding from state sources, local ad valorem taxes, federal funds, and through fund-raising and other sources, such as grants and gifts.

Sufficiency of funding from the state of Mississippi is defined by the Legislature through the Mississippi Adequate Education Program (MAEP) formula as funding levels necessary for school districts to meet at least a successful Level III rating of the accreditation system as established by the State Board of Education using current statistically relevant state assessment data.

During FY 2016, the Mississippi Department of Education (MDE) distributed MAEP funding to charter schools and public schools in a consistent manner. The MDE distributed \$623,742 to Midtown Public and \$648,797 to Reimagine Prep from MAEP funds.

During FY 2016 Midtown Public received approximately \$1.46 million and Reimagine Prep received approximately \$1.48 million from MAEP, local ad valorem taxes, federal funds, grants, gifts, fund-raising, and charitable contributions.

Efficacy of the Mississippi Charter School Authorizer Board Funding Model

For purposes of this report, efficacy of the MCSAB funding model is equated to providing sufficient revenue from charter school fees to fully fund MCSAB operations. Under state law, the MCSAB receives 3% of annual per-pupil allocations received by charter schools from state and local sources. In FY 2016, the first year charter schools were operational in the state, this statutory formula did not generate sufficient funding to support the board's activities.

To provide the MCSAB with sufficient funding, in FY 2014 and FY 2015, prior to charter schools becoming operational, and in FY 2016, additional funding for the MCSAB was included in Institutions of Higher Learning (IHL) program enhancement funding.

For FY 2017, funding from the 3% fee of annual per-pupil allocations is not projected to be sufficient to fully fund MCSAB operations. Until charter school enrollment reaches a level sufficient for the 3% fee combined with any gifts, grants, or donations the board may receive is large enough to fully fund the board's operations, supplemental legislative funding will continue to be required.

Recommendations

1. The Mississippi Charter School Authorizer Board should formally adopt regulations requiring all charter schools in the state to report quarterly and annual financial information in the format required by the Mississippi Department of Education's accounting manual for Mississippi public school districts. Adoption and enforcement of these regulations would facilitate any future comparison of charter school and public school expenditures.
2. Under the current funding model, the Mississippi Charter School Authorizer Board receives 3% of state and local funds that charter schools receive. Therefore, the amount of funds from sources available to charter schools on a per-pupil basis is less than the funds provided to public schools on a per-pupil basis. To provide fully equitable state and local funding between public school and charter school pupils, the Legislature should consider amending MISS. CODE ANN. § 37-28-11(1) (1972) to remove the 3% funding the Mississippi Charter School Authorizer Board receives from charter schools' state and local revenue sources. The Legislature should also consider amending the same section to provide that the authorizer board shall be annually funded from any funds available to the Legislature.
3. To ensure funding and accountability of appropriations, the Legislature should consider providing specifically for MCSAB operations by taking one of the following options:
 - a. Because the board is a state agency per MISS. CODE ANN. § 37-28-7, the Legislature could consider enacting a separate appropriations bill for the board. Such bill should contain the total amount of funds appropriated for the operations of the board and a total number of authorized full and part-time positions.
 - b. The Legislature, while continuing to fund the board through appropriations to the IHL, could provide a specific line item in the IHL appropriation for board support with provision for total authorized positions.

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FY 2016 Annual Report: Analysis of Funding for Mississippi Charter Schools and the Charter School Authorizer Board

Introduction

Authority, Scope, and Purpose

In 2013 the Mississippi Legislature enacted the “Mississippi Charter Schools Act of 2013” (Chapter 497 of the Laws of 2013), which repealed the “Conversion Charter School Act of 2010,”¹ MISS. CODE ANN. § 37-165-1 et seq. (1972), and provided authorization for a charter school oversight board and guidance for the formation of charter schools in Mississippi.

As stated in MISS. CODE ANN. § 37-28-37(2) (1972):

The Joint Legislative Committee on Performance Evaluation and Expenditure Review (PEER) shall prepare an annual report assessing the sufficiency of funding for charter schools, the efficacy of the state formula for authorizer funding, and any suggested changes in state law or policy necessary to strengthen the state’s charter schools.

PEER conducted this review pursuant to the authority granted by MISS. CODE ANN. § 5-3-57 et seq. (1972). The Committee acted in accordance with MISS. CODE ANN. § 5-3-51 et seq. (1972).

This report addresses the first two of PEER’s mandates in state law: sufficiency of funding for charter schools and the efficacy of the state formula for authorizer funding. PEER’s third mandate to make suggested changes in state law or policy to strengthen the state’s charter schools is not addressed in this report because charter schools have been in operation in the state for only a short amount of time.

The scope of this review includes the first two charter schools to have completed one year of serving students (the FY 2015-16 school year): Midtown Public Charter School and Reimagine Prep, both located in Jackson.

¹ The “Conversion Charter School Act of 2010” provided a means whereby the parents or guardians of students enrolled in a chronically underperforming local public school could petition the State Board of Education to convert the public school to a conversion charter school. This conversion status would have required a contract issued by the State Board of Education.

Method

In conducting this review, PEER

- reviewed relevant sections of the state law;
- interviewed managerial and financial staff from the Mississippi Charter School Authorizer Board (MCSAB), Midtown Public Charter School, Reimagine Prep, the State Department of Education, and the Board of Trustees of Institutions of Higher Learning; and
- reviewed federal, state, and local funding information provided to charter schools and the MCSAB.

Background

This chapter addresses

- the definition of a charter school;
- the purpose of charter schools in Mississippi;
- the position of charter schools within Mississippi’s education system;
- the membership, staffing, and responsibilities of the Mississippi Charter School Authorizer Board;
- the application process for charter schools in Mississippi; and
- MCSAB evaluation of charter school performance.

Definition of a Charter School

According to the U.S. Department of Education, a public charter school is a “publicly funded school that is typically governed by a group or organization under a legislative contract (or charter) with the state or jurisdiction.” The National Conference of State Legislatures defines charter schools as “publicly funded, privately managed and semi-autonomous schools of choice.”

As of January 2016, 43 states and the District of Columbia have enacted charter school laws. The first charter school law was passed in 1991 in Minnesota, and the most recent law was passed in 2015 in Alabama. According to the U.S. Department of Education’s National Center for Education Statistics, an estimated 2.5 million students were enrolled in charter schools across the nation during the 2013–14 school year.

The U.S. Department of Education defines a charter school as a “publicly funded school that is typically governed by a group or organization under a legislative contract (or charter) with the state or jurisdiction.” Charter school laws vary from state to state and typically differ on several factors, including who is allowed to authorize charter schools, how charter schools are funded, and what certifications are required for charter school teachers.

The National Conference of State Legislatures defines charter schools as “publicly funded, privately managed and semi-autonomous schools of choice.” NCSL notes that charter schools have more freedom over their budgets, staffing, curricula, and other operations than traditional public schools.

Purpose of Charter Schools in Mississippi

In its 2013 Regular Session, the Legislature passed the “Mississippi Charter Schools Act of 2013,” which declared the general purposes of the state’s charter schools. In alignment with the act, the charter school contracts establish a clear emphasis on expanding educational opportunities for “underserved students.”²

MISS. CODE ANN. § 37-28-3(1) (1972) outlines the Legislature’s findings and declarations in regards to charter schools. These general purposes are stated as follows:

- (a) *To improve student learning by creating high-quality schools with high standards for student performance;*
- (b) *To close achievement gaps between high-performing and low-performing groups of public school students;*
- (c) *To increase high-quality educational opportunities within the public education system for all students, especially those with a likelihood of academic failure;*
- (d) *To create new professional opportunities for teachers, school administrators and other school personnel which allow them to have a direct voice in the operation of their school;*
- (e) *To encourage the use of different, high-quality models of teaching, governing, scheduling and other aspects of schooling which meet a variety of student needs;*
- (f) *To allow public schools freedom and flexibility in exchange for exceptional levels of results driven accountability;*
- (g) *To provide students, parents, community members and local entities with expanded opportunities for involvement in the public education system; and*
- (h) *To encourage the replication of successful charter schools.*

In alignment with the act, the contracts between charter schools and the authorizer board establish a clear emphasis on expanding educational opportunities for “underserved students.” All contracts must provide, among other requirements, detailed enrollment policies and procedures, educational program requirements, and grade-level enrollment projections. The underserved student composition of a charter school’s enrollment must reflect that of students attending the school district in which the charter school is located, and is defined as being at least 80% of that population.

² MISS. CODE ANN. § 37-28-5(o) (1972) defines “underserved students” as students participating in the federal free lunch program who qualify for at-risk student funding under the Mississippi Adequate Education Program and students who are identified as having special educational needs.

Position of Charter Schools within Mississippi's Education System

State law establishes that charter schools are public schools and are part of the state's public education system.

In MISS. CODE ANN. § 37-28-3(2)(3) (1972) the Legislature establishes the place of charter schools in Mississippi by stating the following:

(2) All charter schools in the state established under this chapter are public schools and are part of the state's public education system.

(3) No provision of this chapter may be interpreted to allow the conversion of private schools into charter schools.

However, in MISS. CODE ANN. § 37-28-5(e) (1972), the act allows for the conversion of an existing public school into a charter school by including these types of schools in its definition.

Membership of the Authorizer Board and Responsibilities of the Authorizer Board and Staff

MISS. CODE ANN. § 37-28-7 (1972) created a state agency known as the Mississippi Charter School Authorizer Board, which consists of seven appointed members. This board is the sole authorizing body for charter schools in the state and is responsible for oversight of the schools' operations. The board hired an Executive Director in September 2014 and utilizes contractors to assist with its responsibilities.

In MISS. CODE ANN. § 37-28-7(1) (1972) the Legislature created a state agency known as the Mississippi Charter School Authorizer Board, stating the following:

There is created the Mississippi Charter School Authorizer Board as a state agency with exclusive chartering jurisdiction in the State of Mississippi. Unless otherwise authorized by law, no other governmental agency or entity may assume any charter authorizing function or duty in any form.

Membership of the Mississippi Charter School Authorizer Board

The Mississippi Charter School Authorizer Board is made up of of seven members appointed by the Governor, the Lieutenant Governor, and the State Superintendent of Public Education.

MISS. CODE ANN. § 37-28-7(3) (1972) outlines the composition of the Mississippi Charter School Authorizer Board. The appointment of the board is as follows:

- Three members are appointed by the Governor, with one member from each of the Mississippi Supreme Court districts.
- Three members are appointed by the Lieutenant Governor, with one member being from each of the Mississippi Supreme Court districts.

- One member is appointed by the State Superintendent of Public Education.

All appointments must be made with the advice and consent of the Senate.

MISS. CODE ANN. § 37-28-7(4) (1972) outlines statutory qualifications for board members, which include that members:

... collectively must possess strong experience and expertise in public and nonprofit governance, management and finance, public school leadership, assessment, curriculum and instruction, and public education law. Each member of the Mississippi Charter School Authorizer Board must have demonstrated an understanding of and commitment to charter schooling as a strategy for strengthening public education.

According to MISS. CODE ANN. § 37-28-7(8) (1972), board members, employees, agents, or representatives of the board are not allowed to serve simultaneously as an employee, trustee, agent, representative, vendor, or contractor of a charter school authorized by the board.

For a list of current board members, appointment authorities, and term limits, please see Appendix A on page 24.

Responsibilities of the Mississippi Charter School Authorizer Board

Mississippi Charter School Authorizer Board responsibilities include developing chartering policies, reviewing charter school applications, deciding whether to approve or reject applications (including renewal applications), entering into charter contracts with applicants, overseeing charter schools, and, when necessary, revoking a charter school's contract.

MISS. CODE ANN. § 37-28-9(1) (1972) outlines the responsibilities of the board, which include the following powers and duties:

- (a) *Developing chartering policies and maintaining practices consistent with nationally recognized principles and standards for quality charter authorizing in all major areas of authorizing responsibility, including the following:*
 - (i) *organizational capacity and infrastructure;*
 - (ii) *solicitation and evaluation of charter applications;*
 - (iii) *performance contracting;*
 - (iv) *ongoing charter school oversight and evaluation; and*
 - (v) *charter renewal decision-making.*
- (b) *Approving quality charter applications that meet identified educational needs and promote a diversity of educational choices;*
- (c) *Declining to approve weak or inadequate charter applications;*
- (d) *Negotiating and executing charter contracts with approved charter schools;*

- (e) *Monitoring, in accordance with charter contract terms, the performance and legal compliance of charter schools;*
- (f) *Determining whether each charter contract merits renewal, nonrenewal, or revocation; and*
- (g) *Applying for any federal funds that may be available for the implementation of charter school programs.*

Staff of the Mississippi Charter School Authorizer Board

In September 2014, the authorizer board hired an Executive Director who is responsible for working with board members to implement the state’s charter school laws. The board has also made use of contract labor to accomplish critical functions, including the evaluation of charter school applications and its accounting function.

MISS. CODE ANN. § 37-28-7(9) (1972) outlines criteria for the hiring of an Executive Director. It states:

The Mississippi Charter School Authorizer Board shall appoint an individual to serve as the Executive Director of the Mississippi Charter School Authorizer Board. The executive director shall possess the qualifications established by the board which are based on national best practices, and shall possess an understanding of state and federal education law. The executive director, who shall serve at the will and pleasure of the board, shall devote his full time to the proper administration of the board and the duties assigned to him by the board and shall be paid a salary established by the board, subject to the approval of the State Personnel Board. Subject to the availability of funding, the executive director may employ such administrative staff as may be necessary to assist the director and board in carrying out the duties and directives of the Mississippi Charter School Authorizer Board.

The MCSAB listed 19 qualifications in its job description for the Executive Director position. Examples include a master’s degree and demonstrated experience in the K-12 system and an understanding of state and federal education law. For a complete list of qualifications established by the board, please see Appendix B on page 25.

On September 24, 2014, the MCSAB extended an offer of employment to the current Executive Director with an annual salary of \$95,000³ plus state benefits, as well as relocation expenses not to exceed \$10,000.

The Executive Director position of the MCSAB is a non-state service position. This means that the he or she serves at the “will and pleasure” of the authorizer board and although the position qualifies for state benefits, such as inclusion in the Public

³ Although the MCSAB Executive Director position does not fall within the oversight of the MSPB, the salary for the position was approved by the MSPB as required under MISS. CODE ANN. § 37-28-7(9) (1972).

Employees Retirement System of Mississippi and the State Health Insurance Plan, it does not fall within the oversight or protection of the Mississippi State Personnel Board (MSPB).

The Executive Director's job responsibilities include but are not limited to

- providing operational support and policy analysis to the MCSAB, ensuring that the board and the state's charter schools operate with national best practices to maintain high standards, uphold school autonomy, and protect student and public interest;
- facilitating the application process for new charter schools in Mississippi;
- monitoring the operations of existing charter schools and enforcing compliance to each school's charter contract; and
- providing operational management and oversight to MCSAB staff.

In addition to the Executive Director, the MCSAB has made use of contract labor in the satisfaction of its mandate. For example, in FY 2016 the MCSAB contracted with the National Association of Charter School Authorizers (NACSA) to evaluate charter school applications and paid \$19,700 for the year. Also, the MCSAB contracted with Cornerstone Consulting Group for accounting services and paid \$9,213 for services in FY 2016. For more information on contract expenditures, please see pages 21-22.

Application Process for Charter Schools in Mississippi

State law establishes certain requirements for the MCSAB pertaining to issuance of yearly requests for proposals for charter school applications (e.g., must provide a timeline for approval or denial decisions) and establishes requirements for charter school applicants (e.g., must be a nonprofit organization). The application process involves three stages of review, and the authorizer board is the final authority for approval decisions.

MISS. CODE ANN. § 37-28-15 (1972) requires the MCSAB to publicize a request for proposals before September 1 of each year. Further, the board must establish and disseminate a statewide timeline for charter approval or denial decisions. For the first of two application cycles in 2014, the application deadline was March 14, 2014, and the deadline for board decisions was June 2, 2014.

Mandatory elements of the board's request for proposals include the following:

- a statement of any preferences the authorizer wishes to grant to applications intended to help underserved students;
- a description of the performance framework that the authorizer has developed for charter school oversight and evaluation;
- the criteria that will guide the authorizer's decision to approve or deny an application; and

- a clear statement of detailed questions concerning the format and content essential for demonstrating the capacity necessary to operate a successful charter school.

Any party desiring to open a charter school in Mississippi must submit an application to the MCSAB. Per MISS. CODE ANN. § 37-28-17 (1972), the purpose of this application is

- to present the proposed charter school's academic and operational vision and plans;
- demonstrate the applicant's capacities to execute the proposed vision and plans; and
- to provide the authorizer a clear basis for assessing the applicant's plans and capacities.

According to MISS. CODE ANN. § 37-28-7(2)(b) (1972), the board may approve a maximum of 15 qualified charter applications during a fiscal year.

Legal Requirements for Charter School Applicants

Charter school applicants must be nonprofit organizations. Further, charter holders may only contract with nonprofit Educational Service Providers (ESPs). Applicants must provide proof of U.S. citizenship for all board members, school staff, and key ESP staff.

MISS. CODE ANN. § 37-28-39(2) (1972) states:

A charter school and any education service provider which provides comprehensive management for a charter school must be a nonprofit education organization.

In addition to the criteria laid out in the previous section, the MCSAB, in MISS. CODE ANN. § 37-28-15(g) (1972), is required to gather other various information from applicants during the evaluation process. Some of this additional information includes proof of U.S. citizenship for all board members, school staff, and key staff of the ESP, as well as evidence of community support for the proposed charter school.

Application Requirements Based on Accountability Letter Grade of School District

Applicants for charter schools in school districts rated "D" or "F" under the State Department of Education's accountability rating system may apply directly to the MCSAB; however, in school districts rated "A," "B," or "C," the board will only accept the application for review if a majority of the members of the local school board vote to endorse the application or initiate the application on its own.

In MISS. CODE ANN. § 37-28-7(2)(a) (1972), the MCSAB is granted the ability to authorize a charter school within the geographical boundaries of any school district. However, this authority is limited in MISS. CODE ANN. § 37-28-7(2)(c) (1972), which states:

In any school district designated as an "A," "B" or "C" school district by the State Board of Education under the

accreditation rating system at the time of application, the Mississippi Charter School Authorizer Board may authorize charter schools only if a majority of the members of the local school board votes at a public meeting to endorse the application or to initiate the application on its own initiative.

Each year the Mississippi Department of Education releases letter grades for schools and districts based on Mississippi's "A through F" accountability system that evaluates how schools and districts performed in the most recently completed school year. Charter school applicants applying for schools to be located in districts rated "D" or "F" under the Department of Education's accountability system may apply directly to the MCSAB rather than through the local school board.

Evaluation of Charter School Applications

In 2014 the Mississippi Charter School Authorizer Board began contracting with the National Association of Charter School Authorizers to conduct independent evaluations of each charter school application. Through the 2015 application cycle, the MCSAB (with NACSA assistance) had evaluated 19 applications and granted four initial charters, two of which had a charter school in operation during FY 2016.

MISS. CODE ANN. § 37-28-15 et seq. designates the contents required in a charter school application. Examples include a statement of the mission and vision of the school, evidence of need and community support for the school, and a description of the school's financial plans and policies, including financial controls and audit requirements. See Appendix C for a comprehensive list of application requirements.

The MCSAB began contracting with the National Association of Charter School Authorizers in 2014 to manage the application process and to provide independent recommendations as to whether to approve or deny each charter school application. The NACSA, through the MCSAB, released a request for proposals to identify local application evaluators who would help ensure understanding of the specific state context and landscape. Also, the NACSA recruited out-of-state evaluators with experience evaluating charter school applications. Thus, the teams responsible for evaluating charter school applications in Mississippi included both local and national expertise related to charter school operation. Each application resulted in a Charter School Application Recommendation Report, in which evaluator biographies were included.

The application process includes three stages of review: the proposal evaluation, the capacity interview, and the consensus judgment. In the proposal evaluation, the evaluation team conducts individual and group assessment of the merits of the proposal based upon the written submission. After reviewing the application and discussing findings of their individual reviews, the evaluation team conducts an in-person capacity interview to assess the applicant's overall capacity to implement the plans in the proposal. Following the interview, the evaluation team comes

to consensus judgment regarding whether to recommend the proposal for approval or denial.

For the initial 2014 application cycle, the evaluation teams conducted analyses of each application in six required areas: culture, leadership, school structure and operations, educational program, instructional staff, and governance.

From the second 2014 application cycle to the present, the evaluation teams have conducted analyses of each application through the applicant's capacity in three required categories: educational program design, operations plan, and financial plan.

Other supplemental areas include information on waivers, conversion charter schools, ESP relationship, and information on applicants currently operating one or more schools.

Evaluation teams assess each application against specific evaluation criteria and rate each section (e.g., culture) accordingly:

- **Meets or exceeds the standard** — The response reflects a thorough understand of key issues. It clearly aligns with the goals of the school. The response includes specific and accurate information that shows thorough preparation.
- **Partially meets the standard** — The response meets criteria in some aspects but lacks sufficient detail and/or requires additional information in one or more areas.
- **Does not meet the standard** — The response is significantly incomplete, demonstrates lack of preparation, is unsuited to the mission and vision of the MCSAB or otherwise raises significant concerns about the viability of the plan or the applicant's ability to carry it out.

When these reviews are complete, the evaluators write a recommendation report for review by the MCSAB. Each applicant is given a copy of the recommendation on its proposal and an opportunity to provide a final written response to the MCSAB.⁴ The MCSAB then votes to approve or deny each application.

Through the 2015 application cycle, the Mississippi Charter School Authorizer Board (with assistance from the NACSA) evaluated 19 applications and approved three applications (for four schools). The following two charter operators began serving students in the 2015-16 school year:

- Midtown Partners, Inc. operating the Midtown Public Charter School in Jackson; and
- RePublic Schools, Inc. operating ReImagine Prep in Jackson.

The third and fourth approved charters belong to RePublic Schools, Inc. for the operation of Joel E. Smilow Prep and Joel E. Smilow Collegiate in Jackson. RePublic Schools, Inc. began operation of Joel E. Smilow Prep during the 2016-17 school year but deferred the opening of Joel E. Smilow Collegiate until the 2017-18 school year.

⁴ Applicants were not given an opportunity to provide a final written response to the MCSAB until the 2015 request for proposals cycle.

Terms of Charter Contracts

Per state law, all qualified applicants shall be granted an initial five-year charter upon completion of a charter contract between the Mississippi Charter School Authorizer Board and the governing board of the charter school. At the end of the five-year period, the authorizer board may (1) renew, (2) renew with specific conditions, or (3) choose not to renew the school's charter.

The Mississippi Charter School Authorizer Board is required by MISS. CODE ANN. § 37-28-21(1) (1972) to “grant an initial charter to each qualified applicant for a term of five operating years.”

Based on the grant of an initial charter, MISS. CODE ANN. § 37-28-2(2)(a) (1972) states:

The authorizer and the governing board of the approved charter school shall execute a charter contract that clearly sets forth the academic and operational performance expectations and measures by which the charter school will be judged and the administrative relationship between the authorizer and charter school, including each party's rights and duties. The performance expectations and measures set forth in the charter contract must include, but need not be limited to, applicable federal and state accountability requirements. The performance provisions may be refined or amended by mutual agreement after the chart school is operating and has collected baseline achievement data for its enrolled students.

Because initial charters are valid for only five years, MISS. CODE ANN. § 37-28-33 (1972) outlines the procedures charter renewal applicants and the MCSAB must follow to renew existing charter school grants. This section allows the MCSAB to renew existing charters, to renew existing charters with condition, or to opt for nonrenewal of existing charters.

Charter Schools Serving Students in the 2015–16 School Year

In 2014 the Mississippi Charter School Authorizer Board approved Midtown Public Charter School and Reimagine Prep’s applications to operate within the geographic boundaries of the Jackson Public School District, which held a school district accountability rating of “D” at the time of their applications. The Mississippi Charter School Authorizer Board granted each charter school operator a five-year contract, which began on July 1, 2015, and ends on June 30, 2020. Both charter schools began serving students during the 2015–16 school year.

During 2014, Midtown Public Charter School, a program of Midtown Partners, Inc. with headquarters in Jackson, and Reimagine Prep, a subsidiary of RePublic Schools with headquarters in Nashville, submitted applications to the MCSAB during the application window. The organizations behind each of these charter schools were able to apply for charter school operations within the Jackson Public School District’s geographic boundaries because of the district’s accountability rating of “D” at the time of their applications.

Each school submitted an application that was evaluated through the three-step application process defined by the MCSAB.

Upon the successful completion of this process, each school was granted an initial five-year charter contract beginning on July 1, 2015, and ending on June 30, 2020.

As detailed in their charter contracts, both schools completed their first year of operation during fiscal year 2016 (school year 2015–16). For the 2015–16 school year Midtown Public was contracted to serve a combined 104 students in fifth and sixth grades and Reimagine Prep was contracted to serve 110 students in fifth grade.

MCSAB Evaluation of Charter School Performance

The Mississippi Charter School Authorizer Board uses the Mississippi Charter School Performance Framework to evaluate each charter school’s academic, financial, and organizational performance. The MCSAB annual report dated September 2016 indicates that the board is awaiting data to complete its evaluations, but plans to release an amended annual report with full evaluations for each school in December 2016.

According to MISS. CODE ANN. § 37-28-29 (1972), charter contracts must include a performance framework that outlines academic and operational performance indicators as well as measures and metrics that will guide the authorizer’s evaluations of the charter school (e.g., student academic proficiency, financial performance, and sustainability). Per MISS. CODE ANN. § 37-28-31 (1972), the MCSAB must submit an annual report to the Legislature regarding its evaluation of charter schools according to their contracts. Also, the MCSAB must provide a performance report for each charter school it oversees in accordance with the performance framework. If a charter school’s performance is unsatisfactory, the MCSAB must notify the charter school and provide a reasonable opportunity for the school to remedy the problem unless the problem warrants revocation.

The MCSAB developed a performance framework to provide criteria (i.e., performance measures) for assessing charter schools. For each performance measure, a school receives one of four ratings: Exceeds Expectations, Meets Expectations, Approaches Expectations, or Fails to Meet Expectations. The framework includes the following areas:

- academic measures for student academic proficiency, academic growth, performance of major student subgroups, etc.;
- financial measures, including fund balance, audit findings, debt-to-asset ratio, and timely reporting; and
- organizational measures, including enrollment, discipline, at-risk student populations, etc.

The MDE releases letter grades for schools and districts based on the state’s “A through F” accountability system that evaluates how schools and districts performed in the most recently completed school year. This letter grade factors into the performance framework as part of its academic measures for student academic proficiency.

The MDE released its most recent accountability ratings on October 20, 2016, for the 2015-16 school year. Midtown Public Charter School received a rating of “F” and Reimagine Prep received a rating of “D.”

Results from the performance framework evaluations are used for charter renewal decisions and can be used to initiate charter school revocation proceedings during the contract term if the school has persistent shortcomings or incidents that threaten the health, safety, or welfare of students.

The MCSAB annual report released in September 2016 states that the board is awaiting complete data in order to finalize its evaluations. The board plans to amend its annual report to include the full evaluation of charter schools in operation during the 2015-16 school year and release the amended report in December 2016 after approval during its December meeting.

Sufficiency of Funding for Charter Schools

MISS. CODE ANN. § 37-28-37(2) (1972) requires in part that the PEER Committee prepare an annual report assessing the sufficiency of funding for charter schools. This chapter addresses the following issues regarding the sufficiency of charter school funding from

- state sources,
- local ad valorem taxes,
- federal funds, and
- other sources, such as grants and gifts.

Sufficiency of State-Level Funding

Sufficiency of funding from the state of Mississippi is defined by the Legislature through the Mississippi Adequate Education Program (MAEP) formula. During FY 2016 the Mississippi Department of Education distributed MAEP funding to charter schools and public schools in a consistent manner.

In Mississippi the legislature defines adequate funding to public schools through the Mississippi Adequate Education Program. MISS. CODE ANN. § 37-151-5(a) (1972) defines MAEP adequate funding as:

“Adequate program” or “adequate education program” or “Mississippi Adequate Education Program (MAEP)” shall mean the program to establish adequate current operation funding levels necessary for the programs of such school district to meet at least a successful Level III rating of the accreditation system as established by the State Board of Education using current statistically relevant state assessment data.

For purposes of this review, PEER equates the Legislature’s definition of adequate funding through the MAEP formula to constitute sufficient funding from the state level for charter schools.

Under MAEP, school districts receive funding related to instruction, administration, plant and maintenance and ancillary (e.g., librarians and counselors) expenditures. Also under MAEP, each school district and charter school receives funding for add-on programs, such as special education, gifted, alternative school, and transportation programs. Funding per student for add-on programs is unique to each school based on the criteria associated with each add-on program’s funding formula and the school’s characteristics relative to the criteria.

For FY 2016, MAEP formula calculations resulted in a per-pupil amount of \$6,028 and \$5,928 to Midtown Public and Reimagine Prep, respectively. The difference in funding per pupil is attributable the amount each school received from the add-on programs component of the MAEP formula.

As a result of budget cuts directed by the Governor and fewer funds available than anticipated for components of the MAEP formula, per-pupil amounts received by Midtown Public and Reimagine Prep decreased to \$5,998 and \$5,898, respectively. The adjustments to per-pupil funding experienced by both schools were shared on a pro rata basis by each public school district receiving MAEP funding. During FY 2016, Midtown Public and Reimagine Prep received MAEP funding in a manner consistent with other public school districts that received MAEP funds.

Sufficiency of Funding from Local Ad Valorem Taxes

Under state law, each school district's board determines the amount of local funding by setting the district's local ad valorem tax rate. For FY 2016, Midtown Public and Reimagine Prep received local support payments from ad valorem taxes in a manner consistent with payments to the Jackson Public School District.

Under MISS. CODE ANN. § 37-57-104 (1972) local funding for public school districts is set by the school board of each school district during the submission of its annual budget, up to a maximum of 55 mills.⁵ Further, MISS. CODE ANN. § 37-28-55(2) (1972) requires each school district in which a charter school is located to distribute a pro rata share of local support funds to all charter schools in the district. For purposes of this review, PEER equates the sufficiency of local funding levels for Midtown Public and Reimagine Prep as the funding levels provided to other Jackson Public School District (JPSD) schools.

For the two charter schools in operation in FY 2016, local support payments are based on ad valorem tax receipts received by the charter schools' host school district for the previous fiscal year. A per-pupil amount is calculated using the host district's average daily membership for months one through nine of the previous fiscal year. These calculations resulted in a per-pupil payment of \$2,624. PEER verified these calculations through a combination of JPSD's audited financial statements and Mississippi Department of Education attendance reports.

Sufficiency of Funding from Federal Funds

Federal funds received by the Mississippi Department of Education are distributed to each public school district and charter school based on the school's ability to meet federal program requirements.

MISS. CODE ANN. § 37-28-55(4)(a) (1972) requires the MDE to direct to each qualified charter school a proportional share of all monies generated under applicable federal programs and grants. The MDE receives federal grant funds and distributes them to each qualified school based on the standards set forth in each grant's program and agreement and a school's ability to meet these specifications. The MDE must comply with the distribution requirements specified by each federal program or grant. The

⁵ For the purpose of property tax assessment, one mill represents \$1 in property taxes for every \$1,000 in assessed property value.

distribution of these funds is audited by the federal government for compliance with stated program and grant requirements.

Within this framework for the distribution of federal funds, charter schools have equitable access to apply for and receive federal funds. In regard to sufficiency, the amount a charter school receives in federal funds depends on each charter school's characteristics as they related to meeting the requirements set forth by the federal program or grant.

In FY 2016, Midtown Public and Reimagine Prep received grant funds from the following federal grants:

- 21st Century Community Learning Centers Program grants;
- Title I, Part A and Title II, Part A Grants;
- food service grants.

For more information on each of these grants, please see Appendix D on page 29.

Sufficiency of Funding from Other Sources

A charter school's ability to obtain funding from grants, gifts, and donations is dependent on the school's ability to successfully apply for grants and attract gifts and donations from other sources.

Under MISS. CODE ANN. § 37-28-59(2) (1972) charter schools are granted the authority to receive other forms of support (i.e., charitable contributions and private grants). Like federal funds, these other sources of revenue are variable and depend on each charter school's ability to successfully apply for grants and attract donations and gifts from other sources. Therefore, sufficiency of funding from these sources is unique to each charter school and the amount received from these sources will vary between charter schools.

In FY 2016, Midtown Public and Reimagine Prep received funding from other sources that included charitable contributions, fund-raising revenue; and MCSAB start-up grants.⁶

See Exhibit 1, page 18 for the total amount received from these sources.

Charter School Funding Received

During FY 2016, Midtown Public received approximately \$1.46 million and Reimagine Prep received approximately \$1.48 million from MAEP, local ad valorem taxes, federal funds, grants, gifts, and donations.

Exhibit 1, page 18, details the amount received by each charter school from funding sources.

⁶ Start-up grants are grant funds provided by the MCSAB to charter schools for items related to setting up and starting a charter school. Start-up grants may be used for salaries, supplies, equipment, or other start-up expenses. Each charter school must submit an application to the MCSAB detailing how the grant funds will be spent.

Exhibit 1: FY 2016 Charter School Funding Sources

Source of Funds	Midtown Public	Reimagine Prep
MAEP	\$ 623,742	\$ 648,797
Local Ad Valorem Taxes	278,129	317,487
Federal Funds*	212,114	333,526
Gifts, Grants, and Donations**	343,204	179,350
Total	\$1,457,189	\$1,479,160

*Amounts include amounts paid by Mississippi in supplemental child nutrition grants.

** Includes MCSAB start-up grants of \$22,900 per school.

SOURCE: Charter schools' financial records and state account records.

During the review of each charter school's financial records, PEER noted that both schools were using account names and titles that differed from public schools' account names and titles. The MDE requires local school districts to use a uniform chart of accounts to provide consistency in recording revenues and expenditures across school districts. Although the charter schools' accounting structure may be sufficient to meet their accounting needs, the use of different account names and titles could inhibit the future comparison of expenditures between charter schools and public schools. During the review, MCSAB personnel indicated that the MCSAB board has contemplated requiring charter schools to comply with the MDE-mandated chart of accounts but had not required the charter schools to do so as of the conclusion of this review.

Efficacy of the State Formula for Authorizer Funding

MISS. CODE ANN. § 37-28-37(2) (1972) requires that, as part of an annual report, the PEER Committee assess the efficacy of the state formula for funding the Mississippi Charter School Authorizer Board.

This chapter addresses

- the efficacy of the MCSAB funding model, and
- expenditures of the MCSAB.

Efficacy of the Mississippi Charter School Authorizer Board Funding Model

Under MISS. CODE ANN. § 37-28-11(1) (1972), the MCSAB receives 3% of annual per-pupil allocations received by charter schools from state and local sources. In FY 2016, the first year charter schools were operational in the state, this statutory formula did not generate sufficient funding to support the board's activities. Additional funding for the MCSAB was included in the Institutions of Higher Learning's appropriated funding.

The National Alliance for Public Charter Schools (NAPCS), a nonprofit organization committed to advancing the public charter school movement, states that adequate authorizer funding, including provisions for guaranteed funding from the state or authorizer fees, is an essential component of the model charter public school law.

Further, funding structures for charter authorizers generally fall into three categories: fees retained from authorized charter schools; budget allocation from a parent organization (such as a university); and state or local budget appropriation. There is no single formula for authorizer funding that is “the best” for every state. The determination of an adequate, efficient, and well-working formula for authorizer funding will depend on conditions in each state.⁷

The National Association of Charter School Authorizers (the organization contracted to conduct Mississippi's charter school application review) also comments on this issue by stating that when authorizers are a state entity (as is the case in Mississippi), they are most often funded through a state appropriation. While this may make funding for the authorizer board subject to annual appropriations, it serves to eliminate the redirection of charter school operational funds to authorizers, remove the incentive for authorizers to approve and keep open schools that should not be operating, and remove the potential of authorizers receiving too little or too much funding.⁸

As authorized under MISS. CODE ANN. § 37-28-11(1) (1972), the MCSAB receives 3% of annual per-pupil allocations received by charter schools from state and local sources. For purposes of this report, efficacy⁹ of the MCSAB funding model is equated to the model providing sufficient revenue from charter school fees to fully fund MCSAB operations.

⁷ Information from the National Alliance for Public Charter School's 2016 publication *A Model Law for Supporting the Growth of High-Quality Charter Schools (2nd Edition)*.

⁸ Information from the National Association of Charter School Authorizers 2009 policy guide, *Charter School Authorizer Funding*.

⁹ Merriam-Webster defines efficacy as “the power to produce the desired result or effect.”

The MCSAB began operating in FY 2014 but did not receive any charter school fees until FY 2016 when charter schools became operational. In FY 2016 the statutory formula did not provide efficacy because the fees received from charter schools did not sufficiently fund MCSAB operations. During FY 2016 the MCSAB received \$56,077 (\$29,005 from Reimagine Prep and \$27,072 from Midtown Public) from the 3% charter school fee and expended \$243,929 to support the board's activities.

To provide the MCSAB with sufficient funding, in FY 2014 and FY 2015, prior to charter schools becoming operational, and in FY 2016, additional funding for the MCSAB was included in the Institutions of Higher Learning's (IHL) program enhancement funding as follows:

- For FY 2014 and FY 2015, the Legislature appropriated \$250,000 from the Capital Expense Fund to the IHL for the purpose of defraying the costs of general operations of the MCSAB. The board was allowed to carry any funds not expended during FY 2014 forward to FY 2015.
- For FY 2016, the Legislature designated \$250,000 of the General Fund appropriation to the IHL support budget to cover the administrative operations of the MCSAB. The Legislature also designated \$60,000 of special fund spending authority for the general operations of the board. This authority allowed the board to expend funds remitted by the charter schools as provided for in MISS. CODE ANN. § 37-28-11(1) (1972).

For FY 2017 the Legislature authorized \$440,000 to the MCSAB to cover administrative operations expenses. Of the amount appropriated, \$250,000 is composed of a General Fund appropriation to IHL and \$190,000 is special fund spending authority for the 3% fees received from charter schools.

If Mississippi charter schools receive FY 2017 per-student funding equal to amounts received during FY 2016, 1,679 charter school students will be required to fund the MCSAB's FY 2017 operations.¹⁰ Currently, FY 2017 charter school enrollment is projected at 495 students.

In addition to charter school fees and legislative funding, under MISS. CODE ANN. § 37-28-11(2) and (3) (1972),

(2) The authorizer may receive appropriate gifts, grants and donations of any kind from any public or private entity to carry out the purposes of this chapter, subject to all lawful terms and conditions under which the gifts, grants or donations are given.

(3) The authorizer may expend its resources, seek grant funds and establish partnerships to support its charter school authorizing activities.

Until charter school enrollment reaches a level sufficient for the 3% fee combined with any gifts, grants, or donations the board

¹⁰ Per-student MCSAB fees based on FY 2016 collections of \$56,077.53 from the combined enrollment of 214 from the two charter schools currently authorized.

may receive is large enough to fully fund the board's operations, supplemental legislative funding will continue to be required.

The NAPCS comments that 3% fees are generally regarded as adequate funding for authorizers in most states, particularly where separate start-up funding is allocated for the establishment of a new authorizer.

In addition, once an authorizer has chartered schools for a few years and oversees a "critical mass" of charters, it might be able to continue authorizing effectively with a lower percentage fee (because it is beyond start-up and also may have achieved some economies of scale) until the point where the number of schools it authorizes increases costs on a per-school basis.

The NAPCS also comments that such a determination should be made by the state's designated authorizer oversight body based on several consecutive years of financial data from all authorizers in the state. If the data warrant, the existing state entity tasked with authorizer oversight could, for example, establish a sliding scale that provides for authorizers to receive a higher percentage fee (not to exceed 3% of charter school per-pupil dollars) in their first three years of authorizing, with the percentage decreasing thereafter.

Mississippi Charter School Authorizer Board Expenditures

From FY 2014 through FY 2016, the Mississippi Charter School Authorizer Board expended approximately \$494,000 with \$210,000 of this amount being in personal services.

During FY 2014 the Mississippi Charter School Authorizer Board began operations on a limited basis (e.g., conducted initial board meetings). During FY 2015 an Executive Director was hired, and in FY 2016 the first charter schools became operational in the state. From FY 2014 through FY 2016, the MCSAB expended approximately \$494,000 for total operations with \$210,000 of this amount being for personal services. See Exhibit 2 for more information regarding MCSAB expenditures.

Exhibit 2: Mississippi Charter School Authorizer Board Expenditures by Major Category for FY 2014 through FY 2016

Major Categories	FY 2014	FY 2015	FY 2016	Total
Personal Services	\$0	\$84,477	\$125,037	\$209,514
Travel	7,645	11,612	13,560	32,817
Contractual Services	2,655	84,079	42,603	129,337
Commodities	0	9,239	27,938	37,177
Equipment	0	4,290	10,049	14,339
Subsidies, Loans, and Grants	0	45,800	24,742	70,542
Total Expenditures	\$10,300	\$239,497	\$243,929	\$493,726

SOURCE: PEER analysis of MCSAB financial records.

From Exhibit 2 on page 21, PEER noted the following from the MCSAB's FY 2014 through FY 2016 expenditures:

- **Personal Services** — All personal service expenditures for these periods were for the MCSAB Executive Director, who was hired by the board during September 2014. These expenditures included salary and employee benefits. For FY 2017 the MCSAB requested and was granted additional funding in this category and is currently seeking to hire a Deputy Director.
- **Travel** — MCSAB travel includes monthly board meeting travel reimbursement and reimbursement for in-state and out-of-state travel. FY 2015 expenditures also include relocation reimbursement expenditures for the MCSAB Executive Director.
- **Contractual Services** — During FY 2015 and FY 2016 the MCSAB expended \$93,427 on outside contractors for the evaluation of charter school applications. During this time, additional funds were expended with outside contractors for accounting services and the preparation of audited financial statements for the MCSAB.
- **Commodities** — During FY 2015 and FY 2016 the MCSAB expended \$28,462 on office furniture and furnishings with the majority of this amount (\$24,250) being expended in FY 2016. These expenditures were for the office of the Executive Director and to furnish a board room for the MCSAB board. Additional funds were expended for office and other business supplies.
- **Equipment** — During FY 2015 and FY 2016 the MCSAB expended \$14,339 on computer and office equipment with the majority of this amount (\$10,049) being expended in FY 2016. These expenditures were for the computer and office equipment of the Executive Director and the board room for the MCSAB board.
- **Subsidies, Loans, and Grants** — The expenditures for FY 2015 include MCSAB start-up grants provided to Midtown Public and Reimagine Prep (see page 18). The expenditures for FY 2016 are for an MCSAB start-up grant for Smilow Prep, a new charter school starting operation in FY 2017 within the geographic boundaries of the Jackson Public School District.

Recommendations

1. The Mississippi Charter School Authorizer Board should formally adopt regulations requiring all charter schools in the state to report quarterly and annual financial information in the format required by the Mississippi Department of Education's accounting manual for Mississippi public school districts. Adoption and enforcement of these regulations would facilitate any future comparison of charter school and public school expenditures.
2. Under the current funding model, the Mississippi Charter School Authorizer Board receives 3% of state and local funds that charter schools receive. Therefore, the amount of funds from sources available to charter schools on a per-pupil basis is less than the funds provided to public schools on a per-pupil basis. To provide fully equitable state and local funding between public school and charter school pupils, the Legislature should consider amending MISS. CODE ANN. § 37-28-11(1) (1972) to remove the 3% funding the Mississippi Charter School Authorizer Board receives from charter schools' state and local revenue sources. The Legislature should also consider amending the same section to provide that the authorizer board shall be annually funded from any funds available to the Legislature.
3. To ensure funding and accountability of appropriations, the Legislature should consider providing specifically for MCSAB operations by taking one of the following options:
 - a. Because the board is a state agency per MISS. CODE ANN. § 37-28-7, the Legislature could consider enacting a separate appropriations bill for the board. Such bill should contain the total amount of funds appropriated for the operations of the board and a total number of authorized full and part-time positions.
 - b. The Legislature, while continuing to fund the board through appropriations to the IHL, could provide a specific line item in the IHL appropriation for board support with provision for total authorized positions.

Appendix A: Mississippi Charter School Authorizer Board Members for FY 2016

The following table consists of board member names, appointment authorities, and term limits for the MCSAB.

Name	Appointed By	1st Term	2nd Term
Tommie Cardin	Lt. Governor	2013-16	2016-2019
Dr. Bonita Coleman	Lt. Governor	2013-16	N/A
Krystal Cormack	Governor	2013-17	
Dr. Karen Elam	Lt. Governor	2013-16	2016-19
Johnny Franklin	Governor	2013-17	
Chris Wilson	Governor	2013-17	
Dr. Carey Wright	State Superintendent	2013-15	2015-18

SOURCE: MCSAB staff.

Appendix B: Qualifications of the Executive Director of the Charter School Authorizer Board

In its job description for the Executive Director position, the Charter School Authorizer Board listed the following 19 qualifications:

- Minimum qualification of a Master's degree is required.
- The candidate must possess demonstrated experience in K-12 system and an understanding of state and federal education law.
- Preference will be given to those candidates who are familiar with Mississippi's education policy landscape.
- A strong commitment to improving public education in Mississippi.
- Ability to work efficiently and productively with a diverse board.
- Demonstrated strong leadership and vision in education reform.
- Strong research skills to understand and use research and data to guide the work of the Authorizer Board.
- Demonstrated interpersonal and political skills working with a variety of entities such as legislative bodies, state and federal agencies, local school boards, educational associations, interest groups and parents.
- Demonstrated keen understanding of the challenges facing at-risk students and their families in Mississippi, including the unique challenges faced in urban, suburban, and rural regions.
- Demonstrated keen understanding or ability to quickly understand the concept of charter schools and the intent of the Mississippi Charter School Act of 2013.
- Excellent oral and written communication skills.
- Ability to supervise staff, set goals, and measure performance.
- Ability to handle multiple responsibilities with accuracy and provide quick turnaround.
- Supervisory, budget, and fiscal experience.
- Demonstrated ability to effectively communicate policy, educational research and best practices to a broad and diverse constituency.
- Demonstrates and presents the highest level of motivation and professionalism, and exhibits a high level of integrity, ethics, honesty and transparency.
- General experience with web site production to include content and update management.
- Experience with fundraising and compliance with grant award requirements.
- Experience in legislative and regulatory lobbying.

SOURCE: MCSAB's job description for the Executive Director position.

Appendix C: Charter School Application Requirements

Per MISS. CODE ANN. § 37-28-15(4) (1972), charter school applications must include the following elements:

- (a) An executive summary;
- (b) The mission and vision of the proposed charter school, including identification of the targeted student population and the community the school hopes to serve;
- (c) The location or geographic area proposed for the school;
- (d) The grades to be served each year for the full term of the charter contract;
- (e) Minimum, planned and maximum enrollment per grade per year for the term of the charter contract;
- (f) Evidence of need and community support for the proposed charter school;
- (g) Background information, including proof of United States citizenship, on the applicants, the proposed founding governing board members and, if identified, members of the proposed school leadership and management team. The background information must include annual student achievement data, disaggregated by subgroup, for every school under the current or prior management of each board member and leadership team member;
- (h) The school's proposed calendar, including the proposed opening and closing dates for the school term, and a sample daily schedule. The school must be kept in session no less than the minimum number of school days established for all public schools in § 37-13-63;
- (i) A description of the school's academic program, aligned with state standards;
- (j) A description of the school's instructional design, including the type of learning environment (such as classroom-based or independent study), class size and structure, curriculum overview and teaching methods;
- (k) The school's plan for using internal and external assessments to measure and report student progress on the performance framework developed by the authorizer in accordance with § 37-28-29;
- (l) The school's plan for identifying and successfully serving students with disabilities (including all of the school's proposed policies pursuant to the Individuals with Disabilities Education Improvement Act of 2004, 20 USCS § 1400 et seq., § 504 of the Rehabilitation Act of 1973, 29 USCS § 794, and Title 11 of the Americans with Disabilities Act, 42 USCS § 12101 et seq., and the school's procedures for securing and providing evaluations and

related services pursuant to federal law), students who are English language learners, students who are academically behind, and gifted students, including, but not limited to, compliance with any applicable laws and regulations;

(m) A description of cocurricular or extracurricular programs and how those programs will be funded and delivered;

(n) Plans and timelines for student recruitment and enrollment, including lottery policies and procedures that ensure that every student has an equal opportunity to be considered in the lottery and that the lottery is equitable, randomized, transparent and impartial so that students are accepted in a charter school without regard to disability, income level, race, religion or national origin;

(o) The school's student discipline policies, including those for special education students;

(p) An organizational chart that clearly presents the school's organizational structure, including lines of authority and reporting between the governing board, education service provider, staff, related bodies (such as advisory bodies or parent and teacher councils), and all other external organizations that will play a role in managing the school;

(q) A clear description of the roles and responsibilities of the governing board, education service provider, school leadership team, management team and all other entities shown in the organizational chart;

(r) A staffing chart for the school's first year, and a staffing plan for the term of the charter;

(s) Plans for recruiting and developing school leadership and staff, which may not include utilization of nonimmigrant foreign worker visa programs;

(t) The school's leadership and teacher employment policies, including performance evaluation plans;

(u) Proposed governing bylaws;

(v) Explanations of any partnerships or contractual relationships central to the school's operations or mission;

(w) The school's plans for providing transportation, food service and all other significant operational or ancillary services;

(x) Opportunities and expectations for parent involvement;

(y) A detailed school start-up plan, identifying tasks, timelines and responsible individuals;

(z) A description of the school's financial plans and policies, including financial controls and audit requirements;

(aa) A description of the insurance coverage the school will obtain;

(bb) Start-up and five-year budgets with clearly stated assumptions;

(cc) Start-up and first-year cash flow projections with clearly stated assumptions;

(dd) A disclosure of all sources of private funding and all funds from foreign sources, including gifts from foreign governments, foreign legal entities and domestic entities affiliated with either foreign governments or foreign legal entities. For the purposes of this paragraph, the term “foreign” means a country or jurisdiction outside of any state or territory of the United States;

(ee) Evidence of anticipated fundraising contributions, if claimed in the application; and

(ff) A sound facilities plan, including backup or contingency plans if appropriate.

SOURCE: MISS. CODE ANN. § 37-28-15(4).

Appendix D: Additional Information on Federal Grants Received by Mississippi Charter Schools

21st Century Grants

The 21st Century Community Learning Centers Program supports the creation of community learning centers that provide academic enrichment opportunities during non-school hours for children, particularly students who attend high-poverty and low-performing schools. The program helps students meet state and local student standards in core academic subjects, such as reading and math; offers students a broad array of enrichment activities that can complement their regular academic programs; and offers literacy and other educational services to the families of participating children.

Title I, Part A Grants

Title I, Part A (Title I) of the Elementary and Secondary Education Act, as amended (ESEA) provides financial assistance to local educational agencies (LEAs) and schools with high numbers or high percentages of children from low-income families to help ensure that all children meet challenging state academic standards. Federal funds are currently allocated through four statutory formulas that are based primarily on census poverty estimates and the cost of education in each state.

Title II, Part A Grants

Title II, Part A (Title II) of the Elementary and Secondary Education Act, as amended (ESEA) provides financial assistance to local educational agencies (LEAs) and schools for the purpose of increasing academic achievement by improving teacher and principal quality. This program is carried out by increasing the number of highly qualified teachers in classrooms; increasing the number of highly qualified principals and assistant principals in schools; and increasing the effectiveness of teachers and principals by holding LEAs and schools accountable for improvements in student academic achievement.

Food Service Grants

Funds received for federal food service grants include funds from the National School Lunch Program and the School Breakfast Program.

SOURCE: PEER staff research of federal grant sites.



December 6, 2016

Mr. James Barber, Executive Director
Joint Committee on Performance Evaluation and Expenditure Review (PEER)
P.O. Box 1204
Jackson, MS 39215

Dear Mr. Barber,

The Mississippi Charter School Authorizer Board (MCSAB) has reviewed the PEER Committee's report regarding charter schools and the Mississippi Charter School Authorizer Board. The annually mandated report features an assessment of the sufficiency of funding for charter schools and the efficacy of the state formula for authorizer funding which are prescribed by the Mississippi Charter Schools Act of 2013. The Authorizer Board has prepared the following responses to two of the PEER Committee's recommendations.

Recommendation 1: The Mississippi Charter School Authorizer Board adopt formal policy that requires charter schools to follow the Mississippi local school district accounting manual in order to facilitate comparisons between charter school and traditional school district spending.

Response to Recommendation 1: While not required by law or adopted as formal board policy, the Mississippi Charter School Authorizer Board is currently working with charter schools and the Mississippi Department of Education to establish a crosswalk between the Mississippi local school district accounting manual's chart of accounts and the chart of accounts used by each charter school. Contracts between the Mississippi Charter School Authorizer Board and the non-profit organizations that operate charter schools feature provisions that require charter schools to submit data and information when requested by MCSAB and other state agencies.

Recommendation 2: In order to ensure parity of funding between traditional public schools and charter schools, the authorizer board fee of three percent of state and local funds should be discontinued and funding for the Mississippi Charter School Authorizer Board should be provided instead by funds appropriated by the Mississippi legislature.

Response to Recommendation 2: As stated in the PEER Committee's report, the National Alliance of Public Charter Schools includes provisions for guaranteed funding from the state or authorizer fee as an essential component of its model public charter school law. The three percent authorizer fee is currently essential in ensuring that MCSAB has the funds to operate and execute its charter school authorizing functions successfully and aligned to national best practices. The MCSAB believes that eliminating the three percent authorizer fee would discontinue its only stream of guaranteed funding.

Please feel free to contact MCSAB with any questions or concerns regarding the above response at charterschools@mississippi.edu.

Best,

A handwritten signature in black ink, appearing to read "Marian L. Schutte", is written over a light blue horizontal line.

Marian L. Schutte
Executive Director
Mississippi Charter School Authorizer Board

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